



**Statement of Facts**

7. A Membership Interest Purchase Agreement (the “Agreement”) was entered into, closed and executed by the Defendant and Darryl Kaplan, Claudio Tartaglia, and Eric Kovan (collectively hereinafter the “Sellers”) on March 12, 2013. A copy of the Agreement is **attached as Exhibit “A”**.

8. Plaintiff Medvend is a third party beneficiary to the Agreement between Medbox and the Sellers.

9. The Agreement entered into between Medbox and Sellers was for the sale of the Sellers’ interest in Medvend giving Medbox a fifty (50%) percent ownership of the outstanding membership interest in Medvend.

10. As part of that Agreement, Medbox agreed to make a necessary cash infusion to the Medvend of four payments as a working capital loan pursuant to the terms and conditions set forth in the Agreement at section 5.07. The payments included a Three Hundred Thousand and xx/100 (\$300,000.00) dollar payment upon the execution and closing of this Agreement, which has been paid by Medbox, and 3 additional payments of Two Hundred Fifty Thousand and xx/100 (\$250,000.00) dollars within five days after the conclusion of the fiscal year 2013, 2014 and 2015.

11. A payment in the amount of Two Hundred Fifty Thousand and xx/100 (\$250,000.00) dollars was due no later than January 5, 2014, which to date, has not been paid by the Defendant.

12. Failure on the part of Medbox to make payment pursuant to the Agreement is a breach of the Agreement, and constitutes default pursuant to the Agreement and Secured Promissory Note (the “Note”). (**Exhibit “B”** – Secured Promissory Note).

**Count I – Breach of Contract**

13. Paragraphs 1-12 are incorporated herein as if repeated verbatim.

14. Medbox failed to make its required payment on or before January 5, 2014 in the amount of Two Hundred Fifty Thousand and xx/100 (\$250,000.00) dollars pursuant to the Agreement.

15. Medbox's failure to make its required payment to Medvend constitutes a breach of the Agreement and a default of the Note.

16. Medvend is hereby entitled to recovery of the total amount owed plus costs and attorney fees as a result of Medbox's breach and default in an amount of \$750,000.00 dollars plus costs, reasonable attorney fees and interest.

17. Medbox's breach as also resulted in the loss of business income and profit which has injured Medvend.

WHEREFORE, Plaintiff, Medvend Holdings, LLC, respectfully requests from the Court an Order for (a) an amount of more than Seven Hundred Fifty Thousand and xx/100 (\$750,000.00) dollars; (b) costs and reasonable attorney fees; (c) interest; and (d) any additional remedy the Court deems just and reasonable.

Respectfully Submitted,  
**THE BERRIS LAW FIRM, P.C.**

/s/ Ari B. Berris  
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